



May 23, 2005

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Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street S.W.
Washington, DC 20554

Re: CC Docket No. 01-92 on Intercarrier Compensation

Dear Ms. Dortch:

The Indiana Office of Utility Consumer Counselor ("Indiana OUCC") supports the analysis and recommendations contained in the initial comments filed in this docket by the National Association of State Utility Consumer Advocates ("NASUCA"). By this letter, the Indiana OUCC also files these further comments on behalf of all of Indiana's telecommunications customers.

Pursuant to Indiana Code § 8-1-1.1-1, *et seq.*, the Indiana OUCC is the statutorily-created representative of all Indiana utility ratepayers, consumers, and the public in state and federal regulatory or judicial proceedings that affect Indiana utility customers. The Indiana OUCC thus represents over six million Hoosier residents - as well as the states' business, industrial and commercial customers - who live and operate in communities ranging from the very rural to densely metropolitan. The Indiana OUCC is also a member of NASUCA, which is filing more extensive comments in this proceeding on behalf of utility customers in all of NASUCA's member states.

The Indiana OUCC commends the Commission for encouraging a process which has facilitated an inclusive approach to developing ideas and encouraging discussion of access charge reform by stakeholders with divergent interests before seeking comment on any proposals for further access charge reform in this intercarrier compensation proceeding, CC Docket No. 01-92. The Indiana OUCC is also pleased that the National Association of Regulatory Utility

Commissioners ("NARUC") has done much to help facilitate such collaborative processes and to bring parties together.

Ultimately, all of us are telecommunications customers, and the Indiana OUCC appreciates how such process has engaged customers as well as the myriad industry groups which are more routinely involved in the regulatory processes at the FCC. Although discussions ultimately failed to yield a single consensus approach to this issue, the Indiana OUCC believes participants have had a greater opportunity to develop an understanding of one another's positions, and we hope it will lead to a better-developed record on which the Commission can make its decision.

In addition to the comments set forth at length in NASUCA's comments, the Indiana OUCC has the following concerns -

- Despite certain parties' enthusiasm for various "bill and keep" approaches, the Indiana OUCC has reservations about the concept. NASUCA's comments outline some issues; the potential for disparate impact on rural companies is also concern for a state like Indiana which includes some significant rural areas.
- Experience has shown us that *increases* in subscriber line charges ("SLC") are generally more likely to find their way onto customers' bills than any offsetting expectations for *reductions*. Particularly in light of mirroring, increasing to a \$10.00 cap could have significant adverse consequences for Indiana consumers.
- Companies should be afforded the option of making up part of any reduced carrier access revenues by filing for limited increases in their local rates. State commissions currently have the responsibility of reviewing such requests. Certainly, rate cases can present a burden on regulatory resources. However, the ability of the public to participate in such rate cases before local regulators provides an important safeguard to the process. Abbreviated procedures for local service rate review could be instituted if increases are within certain limits and correspond to particular regulatory changes.
- Any regime based on the calling party pays ("CPP") principle should be based on facts and specific data, not mere opinion.
- While the Indiana OUCC agrees that changes in the market and technology should be recognized, changes to such long-established regulatory paradigms as per minute rate structures should be based on solid evidentiary showings, not unsupported conjecture.

- The Indiana OUCC hopes that the Commission would share its view that further discussion and evidence needs to be presented relating to whether the final intercarrier compensation mechanisms should only apply to eligible telecommunications carriers ("ETCs").

Historically, state commissions have had broad authority to protect all their citizens against unreasonable rates. Whether through voluntary mirroring of interstate access rates at the intrastate level by state commissions or through actual federal preemptions of state regulatory authority, the Commission will increasingly be a last line of defense in ensuring utility customers are treated fairly. The Indiana OUCC therefore closes its initial comments by urging the Commission to carefully consider the concerns and suggestions put forward on behalf of all telecommunications customers across the nation as it reviews the comments filed by NASUCA and others.

Very truly yours,

/s/

Robert G. Mork
Deputy C.C. for Federal Affairs